



CBS Solar

A Division of Contractors Building Supply Inc.

Michigan Made for the World

16880 Front Street • P.O. Box 67 • Copemish, Michigan 49625
231-378-2936 • Fax 888-854-9552 • www.cbssolar.com

Testimony before the Senate Energy and Technology Committee

Wednesday May 4, 2016

**Comments on SB 437 and 438 Senators Nofs and Proos
Attention- Mr. Cory Woodby Senate Majority Committee Clerk**

Senator Nofs and Senator Proos thank you for the opportunity to share my views and story with you and the Senate Energy and Technology Committee members. My company Contractors Building Supply, Inc. (DBA.CBS Solar) has been in the renewable energy industry for 20 years and during the past 7 years we have installed many residential and commercial solar PV systems in Michigan. Most of these systems were net metered.

My three sons and our employees and I (17 total) have invested over 1 million dollars in our solar manufacturing and distribution company near Traverse City, Michigan. Our community of Copemish is rural and economically challenged. We provide good jobs in a new and growing industry for the area and State Michigan. (see attachment)

SB 437-438 as drafted will decimate our company and many other fledgling solar companies throughout the State of Michigan. Many reside and operated in the respective districts of each of the members of the Energy and Technology Committee. If these bills are implemented without fundamental revisions we estimate that over 2800 jobs (2013 Solar Industry Survey for Michigan—Ranked 33 nationally) are in jeopardy and another 2000 indirect jobs will be impacted as well. What is that in taxable revenue to the State on an annualized basis?

Many here today will dissect the proposed bills and point out areas of concern but frankly the bills as currently drafted are flawed and could be illegal 'takings' and in fact unconstitutional (Purpa Law 1978). It has been stated in testimony that there are only 1800 'net metered customers' that is not a good sampling to make a decision. The utilities were given almost a decade to conform to the RPS Law of 2008 and after a lot of negative 'whining' by the major utilities they complied easily to the goals established. The solar and renewable industries of Michigan should be given the same considerations, time!

SB 438 as drafted would so radically change the current Net Metering program that all choice and options would be eliminated from most of the general public (residential, farmers, small and medium business and municipalities) this is wrong and obviously not

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equitable. Why are only the large customers and utilities able to 'grow solar' in Michigan? The concept of 'buy all sell all' is beyond comment.

It seems that there is an attempt to change the wording of the Net Metered terminology term to distributed generation whereas the PURPA LAW specifically states and requires 'Net Metering to be part of each states program. The power that a solar or renewable customer generates for their home or business should belong to them and they should be given full value for that portion, they paid for it. Then a reasonable cost could be assessed for the Net Metered portion of the project, 8-9 cents would make more sense and allow a reasonable payback to the customer. (ROI would still be 15-20 years at those rates and the solar industries current costs).

In conclusion I would like to say that the main roadblock for both of these bills is the unfair and damaging effort of SB 438 to undermine the residents and the small businesses in the State by redefining 'Net Metering' and essentially eliminating solar in the State. If we are to be part of the States goals to reach 30% of the state's electric needs through a combination waste reduction and renewable energy production then these bills should not be passed out of committee as they are presented! (Draft)

Senators and House members are elected to do the work of the people. All of the residents of the State of Michigan and not just allow our utilities to maintain their monopoly on generation of energy. Their comments and statistics have not and do not offer any data to support their claims.

Sincerely,


Allan O'Shea
President of
Contractors Building Supply